Instructions for Completing the
WIC State Agency Management Information System
Annual Cost Survey

General. The annual WIC State Agency Management Information System Cost Survey is intended to fulfill Food and Nutrition Service (FNS) financial management audit requirements and to provide data useful in tracking trends in MIS costs. It will provide the total amount of funds <u>spent</u> on MIS during a fiscal year and a breakdown of those expenses by line item. Survey data shall be provided to FNS Regional Offices and Headquarters **by September 30 and October 15**, respectively, for each fiscal year to enable FNS to comply with Office of Inspector General audit requirements. Since only preliminary expenditures are available at that time, a revised cost survey is needed at closeout to reflect final fiscal year MIS expenses incurred by the WIC Program. The preliminary report should reflect both estimated expenditures as well as actual expenditures where actual expenditure data is available. The final report shall be provided to FNS Regional Offices and Headquarters by **March 1 and March 15**, respectively, for the prior fiscal year. All MIS costs incurred and paid by WIC should be reported in items (1), (2), and (3) of the Cost Survey, regardless of funding source.

Three major cost categories are broken out on the Cost Survey: new MIS acquisition costs, on-going operations/maintenance costs, and major commercial hardware and software upgrade costs. The main consideration in determining how to report expenditure data is whether or not the expense is the result of the purchase of a new WIC system or system component(s). If so, those costs should be reported under new system acquisition; otherwise they should be reported as a routine on-going expense. The only exception would be if you made a large commercial hardware or software purchase within the fiscal year as part of a hardware replacement plan, but this purchase was not part of a new system procurement. Since this procurement is not part of a new procurement and would not be considered routine, it should be reported separately in item (3) on the survey. The following descriptions of each cost item should help you in reporting costs. <u>With the exception of item number (6) on the cost survey, all cost information is related to actual, as opposed to estimated, expenses that were incurred during the fiscal year. If you are submitting a preliminary report, some costs may be estimates.</u>

New Acquisition. An expenditure should be reported under this category if the expense is related to a new system procurement (transferred or built from scratch) or procurement of a system component(s) and an actual cost was incurred during the fiscal year. These are generally large projects, spanning several fiscal years that have been approved through the Advanced Planning Document (Handbook 901) approval process. However, they may include smaller procurements, e.g., development of a system component such as a high-risk vendor detection system or on-demand food instrument printing. If, for example, your State agency is implementing a new automated system and this is the second year of a 5-year project, you would report only the actual expenditures for the second year of the project. The specific line items under this category are listed below.

(1) Planning, Development and Implementation.

❑   *Planning*: Include here all expenses generally incurred during the planning phase of a new system procurement. For example, this might include:

- a planning or project management contractor
- salaries for contractor personnel
- feasibility study
- cost/benefit analysis
- functional requirements document
- travel

❑   *Development*: Include here all expenses generally incurred during the development phase of a new system procurement. For example, this might include:

- implementation contractor
- quality assurance contractor
- software design and development
- system testing
- telecommunications
- off-the-shelf software purchases made as part of the new system acquisition
- travel

❑   *Implementation*: Include here all expenses generally incurred during the implementation phase of a new system procurement. For example, this might include:

- pilot project and statewide rollout (excluding equipment purchases)
- new construction to house computers, if necessary
- electrical wiring upgrades
- new furniture associated with equipment purchase
- facility renovation for security
- power supply units
- incidental costs related to the new system acquisition, e.g., supplies
- system documentation
- help desk
- travel

❑   *Hardware*: The equipment purchased or leased in connection with the new system procurement or system component should be reported here, but *routine hardware replacement should not be included* under this category. Routine hardware replacement should be reported under on-going operations and maintenance. In determining whether to report leased equipment under this category or as an on-going operational cost, it would depend on the status of your system. Payment for leased equipment should be reported as a new acquisition cost until the advanced planning document is closed, then those payments should be reported as an operating expense. Therefore, if your system was in the development phase during the fiscal year and you leased your equipment, the cost should be reported here as a development cost. (Also see item (3), Major Commercial Hardware/Software Upgrades below.).

❑   *Training*: Provide expenses related to training state and local staff on the use of the new system or system component. This should include, for example:

- videos
- users manuals
- tutorials

Do not include state program or IT personnel staff time under the category of training. Staff salaries should be reported separately under Personnel below.

❑   *Personnel*.

◊   State WIC Program Staff Salaries. Staff salaries *must* be reflected in this cost category when 10 percent or more of staff time in any given fiscal year quarter is spent performing MIS-related duties associated with the new system or system component. All salary costs *may* be reported, to include salary for staff who spend less than 10 percent in any given quarter performing MIS-related duties. Program staff activities or duties might include:

- project planning and oversight

- document preparation

- deliverable review

- providing or receiving system training

◊   State Information Technology (IT) Staff Salaries. Staff salaries *must* be reflected in this cost category when 10 percent or more of staff time in any given fiscal year quarter is spent performing MIS-related duties associated with the new system or system component. All salary costs *may* be reported, to include salary for staff who spend less than 10 percent in any given quarter performing MIS-related duties. IT staff activities would be varied, depending on whether the system is being developed in-house or contracted out.

❑   *Indirect Costs*: Report indirect costs associated with WIC MIS that were paid during the fiscal year. This category generally consists of administrative overhead costs that cannot be identified to programs without effort disproportionate to the results achieved.   These costs could be determined through a cost allocation plan or indirect cost plan.

❑   *Other*: If you have line item expenses for system acquisition or system component(s) that do not fall into one of the categories above, please use this category to report them and indicate the nature of these other expenses on the line provided.

❑   *Total FY Acquisition Expenses*:   Please provide your total system acquisition expenditures for the fiscal year. This figure should equal the sum of the figures reported on this survey under acquisition costs.

(2) <u>On-Going Operations and Maintenance</u>.

Please report on-going MIS costs incurred during the fiscal year. If the expense is not related to a new system acquisition or system component(s), it should be reported under on-going operations/maintenance. If you cannot provide a breakdown of costs by the various line items, please provide a breakdown based on the percentage of the total cost you believe was spent on each category. The specific line items are:

❑ *<u>WIC Application Software Enhancements</u>*: Enhancements are generally minor system modifications performed to correct programming errors or to address periodic regulatory changes, e.g., to collect bloodwork data, race/ethnic data, or track vendor compliance investigations conducted. Modifications to the WIC users manual as a result of software application changes would be reported here also. If software enhancements are performed in-house, they should be captured below under Personnel Salary.

❑ *<u>Routine Commercial Hardware/Software Expenses</u>*: Incidental hardware and software costs that occur routinely throughout the year should be reported here.

❑ *<u>Equipment Maintenance</u>*: Whether procured or provided in-house, this is the expense associated with ensuring that equipment (mainframes, mini-computers, PC's, laptops, terminals, file servers, printers, etc.) is operational. Included in this category are maintenance contracts for leased or purchased equipment, as well as incidental supplies such as printer paper, toner, and printer cartridges.

❑ *<u>Operating System Software</u>*: This category should be used to report expenses related to system software such as license fees, operating system and database management upgrades, and software utilities for database managers. Help desk software could be included in this category as well.

❑ *<u>Operational Costs</u>*: This category should include the cost of CPU time, report printing, data storage, backup tape production, and other associated operational costs.

❑ *<u>Help Desk</u>*: Help desk staff provide user assistance on an as-needed basis. If this position is filled with in-house staff, their salary should be reported. If a contractor provides this service, the cost paid to the contractor for this service should be reported.

❑   *Telecommunications*: Expenses related to sending and receiving WIC data should be reported under this category. This should include, for example, the cost of telephone lines and internet charges if used as part of WIC operations. These expenses are routine in nature and not part of a new system or system component(s) acquisition.

❑   *Food Instrument Processing*: Food instrument processing fees incurred by a bank, fiscal intermediary, or State agency (if performed in-house) should be included under this category. This would include, for example, the cost of printing blank check stock, handling food instruments, performing check edits, and producing bank tapes of food instrument transaction data. These expenses are routine in nature and not part of a new system or system component(s) acquisition.

❑   *On-going Training*: Provide expenses related to the on-going training of State and local personnel on the WIC system application, such as materials, handouts, or videos. This would be the cost of receiving and/or providing routine training. Personnel costs related to training should not be included here, but reported under the Personnel category.

❑   *On-Going Personnel Salary*.

       ◊   *State WIC Program Staff Salaries*. State staff salaries *must* be reflected in this cost category when 10 percent or more of staff time in any given fiscal year quarter is spent performing MIS-related duties. All salary costs *may* be reported, to include salary for staff who spend less than 10 percent in any given quarter performing MIS-related duties.

       ◊   *Information Technology (IT) Staff Salaries*. IT staff salaries *must* be reflected in this cost category when 10 percent or more of staff time in any given fiscal year quarter is spent performing MIS-related duties. All salary costs *may* be reported, to include salary for staff who spend less than 10 percent in any given quarter performing MIS-related duties. Include salaries for district or local IT staff, if applicable.

       ◊   Note: Costs related to help desk staff should be reported separately. (See "Help Desk," on page 5 of this instruction.)

❑   *Other Contractor Operating Costs*. This category is for operating costs incurred by the system contractor, such as personnel salaries and overhead. Also include the contractor's on-going costs for MIS report generation for the State or local agencies, if applicable.

❑   *Indirect Costs*. Report indirect costs associated with WIC MIS that were paid in the fiscal year. This category generally consists of State agency administrative overhead costs that cannot be identified to programs without effort disproportionate to the results achieved. These costs could be determined through a cost allocation plan or indirect cost plan.

❑   *Other Costs*. Expenses related to MIS on-going operations and maintenance that are not covered under one of the cost categories provided should be reported here, along with an explanation on the line provided for this purpose.

❑   *Total FY On-going Operations and Maintenance.* Please provide your total operations and maintenance expenditures for the fiscal year. This figure should equal the sum of the figures reported on this survey under on-going operations and maintenance costs.

(3) Major Commercial Hardware/Software Upgrades. If a large hardware purchase is made which is not part of a new system or system component(s) acquisition, it should be reported under this category. These costs would most likely be identified in your State agency's Hardware Replacement Plan, which takes into consideration the need to replace equipment as it becomes outdated or obsolete. Examples of a major hardware upgrade would be the replacement of a significant number of local agency personal computers (PC's) with speedier processors or the upgrade of PC's with the latest communications software.

❑   *Total Annual MIS Expenditures.* This figure represents all MIS expenses paid with WIC funds during the fiscal year. This figure should equal the sum of new acquisition and on-going expenses, as well as major hardware upgrades, as applicable.

(4) State Contributions. Of the MIS expenses incurred during the fiscal year, please provide the amount that was paid from State contributions and other non-WIC contributions.

(5) Non-WIC In-Kind Contributions. In-kind expenses include costs that are paid through outside sources. An example would be when a State agency other than WIC provides banking services and WIC is not charged for these services, or when the parent agency of a local agency wires clinics at no cost to WIC.

(6) Total Anticipated Acquisition Costs.

Please provide the total APD or APDU cost of your system acquisition, which may span several fiscal years. It should reflect the most recent anticipated cost estimate for the WIC system acquisition currently underway for all the years combined, from system planning to design, development, implementation and eventual statewide rollout.